

## SURETY ESTIMATE UPDATE

m/o 15/030

W.L. Wilson

Sinbad Mine, M/015/030, Emery County, Utah

Prepared by Utah Division of Oil, Gas &amp; Mining

Last Update October 20, 1993

## Comments:

- Original estimate made in 1980, for \$8,800
- Original estimate escalated to 1985 dollars, using 13% escalation factor, \$16,225
- Escalation factors through 1992 are actual Means Historical Cost Indices
- Escalation factors for years 1993 and beyond are predicted
- Total disturbed area = 14 ACRES

CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT
$F = P(1 + i)^{**n}$	1977	0.0870	\$0
	1978	0.0710	\$0
F = Future Sum	1979	0.0860	\$0
P = Present Sum	1980	0.0860	\$8,800
i = Escalation Factor	1981	0.0991	\$9,672
n = number of periods	1982	0.0940	\$10,581
	1983	0.0104	\$10,691
	1984	0.0092	\$10,790
	1985	0.0290	\$11,103
	1986	0.0210	\$11,336
	1987	0.0195	\$11,557
	1988	0.0181	\$11,766
	1989	0.0177	\$11,974
	1990	0.0077	\$12,066
	1991	0.0127	\$12,220
	1992	0.0221	\$12,490
Three Yr Average = 1.42%	1993	0.0142	\$12,667
Used to Project 5 Yrs	1994	0.0142	\$12,847
Into the Future	1995	0.0142	\$13,029
From the Year 1993	1996	0.0142	\$13,214
	1997	0.0142	\$13,402
	1998	0.0142	\$13,592
Updated Surety Amount Rounded (1998 \$)			\$13,600

\*\* Average cost per acre =

971 (\$/ACRE)

the 1980 estimate of 16,225 still exceeds this new figure. the surety will remain.

Mr. Wilson will not get new surety bond. He is still keeping Miller Group as surety.